



# NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY  
WESTERN DISTRICT OF MISSOURI

**TODD P. GRAVES**

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**FOR IMMEDIATE RELEASE**

## **THREE PLEAD GUILTY TO MULTI-MILLION DOLLAR MORTGAGE APPRAISAL, DOWN PAYMENT SCHEME**

**KANSAS CITY, Mo.** – Todd P. Graves, United States Attorney for the Western District of Missouri, announced today that three Kansas City metropolitan men pleaded guilty in federal court to devising and executing a scheme to defraud home buyers and mortgage lenders of millions of dollars.

**Anthony Long**, 34, of Blue Springs, waived his right to a grand jury and pleaded guilty before U.S. District Judge Ortrie D. Smith this morning to a federal information that charges him with devising a mortgage appraisal and down payment scheme and with money laundering.

Two other co-defendants also pleaded guilty to their role in the scheme.

On April 21, 2005, **Carl Edward Long**, 55, of Oak Grove, Mo., and **Mitchell David Medlin**, 43, of Lee's Summit, waived their right to a grand jury and pleaded guilty to a federal information that also charges them with playing a role in devising a mortgage appraisal and down payment scheme and with money laundering.

**Anthony Long** and his father **Carl Long**, who worked in the mortgage lending industry and did business as Community HomeBanc, Community HomeBanc of America and First Equity Banc, initially developed the scheme to defraud both home buyers and mortgage lenders.

**Medlin**, who was engaged in residential and light commercial construction and did business as M&R Construction, LLC, in Lee's Summit, joined the **Longs** in executing the scheme after it had started.

As **Anthony Long**, **Carl Long** and **Medlin** initially devised the scheme, they would induce individuals to purchase duplexes at Westwind Properties in Lee's Summit and promise them no down payments and no other expenses or obligations connected with the properties, including no closing costs. **Anthony Long**, **Carl Long** and **Medlin** also obtained inflated

appraisals, provided false lease and rental information in connection with the appraisals and caused false listings and sales to be entered into the multiple listing service database.

**Anthony Long, Carl Long and Medlin** falsely indicated to lending institutions that the buyers were paying down payments and closing costs resulting in the buyer taking out a larger loan and paying a higher price for the home than necessary. Once the loans were approved to purchase the homes at the higher appraised value, the co-defendants received payment for the purchased property based on a fraudulently appraised value. In some cases, buyers were paying up to 68 percent higher prices than homes were actually worth.

By pleading guilty, **Carl Long** admitted that he executed a scheme to defraud multiple lending institutions of millions of dollars from Dec. 4, 2000, through Oct. 12, 2001, in Independence, Lee's Summit, Raytown and Kansas City, Mo. **Carl Long** caused a total of 15 fraudulent loans valued at approximately \$2,008,860 between Feb. 22, 2001, and Oct. 12, 2001.

The scheme continued into Westvale Properties in Lee's Summit and eventually Viking Place Properties in Independence, Mo.

**Anthony Long and Medlin** admitted that they were involved in the scheme from Dec. 4, 2000, through Aug. 20, 2003. They admitted that as a result of the scheme, 120 fraudulent loans were obtained valued at approximately \$17,947,070.

In addition to admitting to the scheme to defraud, **Carl Long, Anthony Long and Medlin** also pleaded guilty to engaging in a monetary transaction involving criminally derived property in a value greater than \$10,000.

**Medlin** admitted that he received \$80,008 from Metro Title One and deposited the funds into his M&R Construction, LLC, account on May 18, 2001. The \$80,008 were his proceeds from a \$111,754.94 wire transfer that also went through on May 18, 2001. **Carl Long and Anthony Long** admitted that they caused to be purchased and **Medlin** admitted that he purchased a cashier's check in the amount of \$27,211.70 from Blue Ridge Bank and Trust Co., on May 18, 2001, using the proceeds. Thereafter, the cashier's check was delivered to Metro Title One for the down payment on two properties being purchased by **Medlin's** family members.

Finally, **Carl Long** also pleaded guilty to fraudulently obtaining money by soliciting individuals to invest in his businesses Community HomeBanc and Live Interactive Network Connection, a company owned and operated by **Carl Long**. **Carl Long** admitted that he obtained \$79,500.86 from investors and that he used a majority of those funds for his personal benefit and not for purposes represented when he solicited the investments.

Under federal law, Graves explained, **Carl Long** may be subject to a maximum sentence of up to 35 years in federal prison without parole, plus a fine up to \$750,000. **Anthony Long and Medlin** may be subject to maximum sentences of up to 15 years in federal prison without parole, plus fines up to \$500,000.

This case is being prosecuted by Assistant U.S. Attorney Linda Parker Marshall. It was investigated by the Federal Bureau of Investigation, with the assistance of Freddie Mac.

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This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at  
[www.usdoj.gov/usao/mow](http://www.usdoj.gov/usao/mow)